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REVIEW OF EXPENDITURES IN EXCESS OF COMMITMENTS AND UNSPENT COMMITMENTS FOR COMPLETED PROJECTS FINANCED BY SUPPLEMENTARY FUNDS

SUMMARY

The present report summarizes the expenditures in excess of commitments and the unspent balances of commitments for completed supplementary-funded projects as at 31 December 1993.

I. INTRODUCTION

1. As a result of the expanded audit of the 1986 accounts, the Executive Board in 1988 established the procedures to be followed in disposing of outstanding balances of overspent and unspent commitments for completed projects.

2. Regarding expenditures in excess of commitments, in 1988 the Executive Board, in its decision 1988/11 H (E/ICEF/1988/13), established, inter alia, the following:

> "The financial implementation of supplementary-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditures will be allocated from general resources. The secretariat will report all such cases to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of the overexpenditures."

3. In addition, in its decision 1988/11 I (E/ICEF/1988/13), the 1988 Executive Board established the following procedure for commitments in excess of expenditures:

> "When it is determined that a project is completed with savings, and where appropriate, the donor will be approached for possible reprogramming. If the donor does not agree, the balance of commitments will be cancelled and returned to the donor".

II. DISPOSITION OF OVERSPENT BALANCES FOR COMPLETED PROJECTS

4. In accordance with the policy of the Executive Board as noted in paragraph 2 above, the secretariat reported overspent balances of $1,326,379 for the year ended 31 December 1992 to the Executive Board in its 1993 session (E/ICEF/1993/AB/L.10). The accounts pertaining to those balances were reviewed by the secretariat and field offices in 1993 and the necessary accounting adjustments to the accounts were made. The actual overexpenditures in supplementary-funded projects in 1992, which were adjusted against general resources, amounted to $685,961 (see annex I).

5. The 1992 overexpenditures were caused by a combination of the following factors: (a) price increases in the supply components of programme assistance; (b) higher than anticipated/estimated freight charges; (c) charges to the current year allotment for unexpected expenditures that have been deemed necessary by the prevailing circumstances; (d) revaluation of currencies; and (e) difficulties in staffing for the field offices due to the political situation in the country.

6. In the three years prior to 1993, the total supplementary funds overexpenditures and the corresponding total supplementary funds expenditures were as follows:

Year	Total supplementary funds expenditure	Overexpenditures	
		Amount	Percentage
	(United States dollars)		
1990	264 887 214	5 014 017	1.90
1991	273 247 690	516 479	.19
1992	353 928 299	685 961	.20

7. The present report also summarizes the preliminary balances of overspent commitments relating to completed projects as at 31 December 1993 totalling $3,423,394 (see annex II). Of this amount, overexpenditures amounting to $2,112,849 were caused by the following:

	United States dollars
Revaluation of currencies, particularly as this affects contributions receivable:	
Revaluation of contributions receivable still outstanding as at 31 December 1993 as this affects contributions receivable	653 372
Revaluation of contributions receivable fully paid as at 31 December 1993	991 691
Write-offs/cancellations of pledges	467 786

8. Taking these factors into consideration, the net overexpenditures remaining amounted to $1,310,545.

9. These accounts will be reviewed in 1994 and the necessary action will be taken in accordance with the policy stated in paragraph 2 above. The amount of the actual 1993 overexpenditures will then be reported to the Executive Board in 1995.

III. UNSPENT COMMITMENTS FOR COMPLETED PROJECTS

10. The secretariat also reviewed the unspent balances in completed projects as at 31 December 1993 and consistently applied the procedure on unutilized funds of small amounts that was reported to the Executive Board at its 1990 regular session. For 1993, individual contributions for completed projects with unspent balances of $300 and below were used to cover general resource expenditures as of 31 December 1993. This amounted to $16,832 (see annex III). Comparative amounts for 1990, 1991 and 1992 were $3,834, $32,918 and $4,913, respectively.

Annex I

1992 OVEREXPENDITURES CHARGED TO GENERAL RESOURCES IN 1993

(United States dollars)

Region/country	Amount
AFRICA	
Angola	1,050
Côte d'Ivoire	31,179
Ethiopia	237
Lesotho	7,995
Madagascar	2,181
Mauritania	821
Mozambique	6,167
Senegal	5,179
Somalia	198,328
Togo	2,711
Uganda	45,470
Zaire	10,368
Total, Africa	311,686
AMERICAS AND THE CARIBBEAN	
Belize	699
Honduras	6,681
Panama	5,685
Total, Americas and the Caribbean	13,065
ASIA	
India	161,179
Lao People's Democratic Republic	45,639
Pakistan	24,518
Total, Asia	231,336
Egypt	14,785
Jordan	11,750
Sudan	13,628
Sudan (Operation Lifeline Sudan)	24,366
Turkey	41,644
West Bank and Gaza	15,560
Yemen	8,141
Total, Middle East and North Africa	129,874
Grand total	685,961

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Annex II

SUMMARY OF OVEREXPENDITURES RELATED TO COMPLETED PROJECTS
AS AT 31 DECEMBER 1993

(ACTION TO BE TAKEN IN 1994)

(United States dollars)

Region/country	Amount
AFRICA	
Angola	149,360
Benin	8,270
Burkina Faso	10,579
Cameroon	3,523
Central African Republic	58,024
Comoros	818
Congo	145
Eritrea	17,127
Ethiopia	71,380
Ghana	7,950
Guinea	32,885
Kenya	287,040
Lesotho	41,656
Liberia	128,749
Madagascar	2,483
Malawi	22,087
Mali	13,394
Mozambique	56,006
Namibia	37,540
Niger	54,237
Nigeria	34,982
Rwanda	9,745
Sierra Leone	9,050
Somalia	141,990
Sudan (Operation Lifeline Sudan)	469,820
Uganda	20,708
United Republic of Tanzania	300
Zaire	18,106
Zambia	23,249
Zimbabwe	13,509
Total, Africa	1,744,712
AMERICAS AND THE CARIBBEAN	
Bolivia	490,365
Brazil	45,255
Central America and Panama	257
Columbia	98,151
El Salvador	28,790
Haiti	10,200

Region/country	Amount
Honduras	5,281
Nicaragua	19,334
Total, Americas and the Caribbean	703,633
ASIA	
Afghanistan	138,430
Bangladesh	5,718
Bhutan	76
China	38,764
Lao People's Democratic Republic	8,310
Maldives	75
Myanmar	46,323
Nepal	82,595
Pacific Island countries	10,925
Pakistan	40,429
Philippines	21,288
Sri Lanka	24,986
Thailand	20,145
Viet Nam	21,100
Total, Asia	459,164
EUROPE	
Albania	32,630
Former Yugoslavia	199,388
Georgia	101,012
Romania	2,412
Total, Europe	335,442
MIDDLE EAST AND NORTH AFRICA	
Iraq	47,460
Jordan	1,458
Lebanon	51,902
Morocco	52,397
Sudan	12,851
West Bank and Gaza	9,320
Total, Middle East and North Africa	175,388
INTERREGIONAL	
Bamako Initiative	5,055
Total, interregional	5,055
Grand total	3,423,394

Annex III

SUMMARY OF 1993 UNSPENT BALANCES IN COMPLETED PROJECTS USED TO COVER GENERAL RESOURCES EXPENDITURES AS AT 31 DECEMBER 1993

(United States dollars)

Region/country	Amount
AFRICA	
Africa regional	52
Angola	252
Botswana	42
Burkina Faso	96
Burundi	38
Chad	549
Congo	381
Côte d'Ivoire	161
Ethiopia	890
Ghana	158
Liberia	859
Madagascar	442
Malawi	405
Mauritius	330
Mozambique	646
Niger	608
Nigeria	581
Rwanda	49
Senegal	519
Sierra Leone	170
Somalia	65
Sudan (Operation Lifeline Sudan)	160
Swaziland	154
Togo	47
United Republic of Tanzania	10
Zambia	174
Zimbabwe	235
Total, Africa	6,073
AMERICAS AND THE CARIBBEAN	
Bolivia	38
Brazil	606
Chile	165
Colombia	2
Costa Rica	190
Ecuador	217
El Salvador	158
Guatemala	188
Haiti	456
Honduras	94
Mexico	203
Nicaragua	249
Paraguay	3
Peru	179
Total, Americas and the Caribbean	2,748

Region/country	Amount
ASIA	
Bangladesh	205
Bhutan	73
Cambodia	898
China	6
India	3
Lao People's Democratic Republic	214
Maldives	28
Myanmar	297
Nepal	91
Pacific Island countries	41
Pakistan	144
Philippines	1091
Sri Lanka	49
Thailand	357
Viet Nam	247
Total, Asia	3,744
MIDDLE EAST AND NORTH AFRICA	
Iraq	226
Jordan	68
Lebanon	327
Oman	243
Sudan	236
Syrian Arab Republic	68
Tunisia	237
Turkey	210
Total, Middle East and North Africa	1,615
EUROPE	
Albania	459
Former Yugoslavia	165
Total, Europe	624
INTERREGIONAL	
Global communication	28
Total, interregional	28
Grand total	16,832